



February 7, 2003

SENATE BILL No. 177

DIGEST OF SB 177 (Updated February 6, 2003 11:26 AM - DI 44)

Citations Affected: IC 4-33.

Synopsis: Pari-mutuel racetrack shares of riverboat revenue. Requires that the part of the riverboat admissions tax distributed to racetracks be equally divided among each racetrack.

Effective: July 1, 2003.

Server

January 7, 2003, read first time and referred to Committee on Finance.
February 6, 2003, reported favorably — Do Pass.

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SB 177—LS 6695/DI 106+



February 7, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 177

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-33-12-6, AS AMENDED BY P.L.192-2002(ss),
2 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]: Sec. 6. (a) The department shall place in the state
4 general fund the tax revenue collected under this chapter.
5 (b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7,
6 the treasurer of state shall quarterly pay the following amounts:
7 (1) Except as provided in subsection (k), one dollar (\$1) of the
8 admissions tax collected by the licensed owner for each person
9 embarking on a gambling excursion during the quarter or
10 admitted to a riverboat that has implemented flexible scheduling
11 under IC 4-33-6-21 during the quarter shall be paid to:
12 (A) the city in which the riverboat is docked, if the city:
13 (i) is located in a county having a population of more than
14 one hundred ten thousand (110,000) but less than one
15 hundred fifteen thousand (115,000); or
16 (ii) is contiguous to the Ohio River and is the largest city in
17 the county; and

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1 (B) the county in which the riverboat is docked, if the
 2 riverboat is not docked in a city described in clause (A).
 3 (2) Except as provided in subsection (k), one dollar (\$1) of the
 4 admissions tax collected by the licensed owner for each person:
 5 (A) embarking on a gambling excursion during the quarter; or
 6 (B) admitted to a riverboat during the quarter that has
 7 implemented flexible scheduling under IC 4-33-6-21;
 8 shall be paid to the county in which the riverboat is docked. In the
 9 case of a county described in subdivision (1)(B), this one dollar
 10 (\$1) is in addition to the one dollar (\$1) received under
 11 subdivision (1)(B).
 12 (3) Except as provided in subsection (k), ten cents (\$0.10) of the
 13 admissions tax collected by the licensed owner for each person:
 14 (A) embarking on a gambling excursion during the quarter; or
 15 (B) admitted to a riverboat during the quarter that has
 16 implemented flexible scheduling under IC 4-33-6-21;
 17 shall be paid to the county convention and visitors bureau or
 18 promotion fund for the county in which the riverboat is docked.
 19 (4) Except as provided in subsection (k), fifteen cents (\$0.15) of
 20 the admissions tax collected by the licensed owner for each
 21 person:
 22 (A) embarking on a gambling excursion during the quarter; or
 23 (B) admitted to a riverboat during a quarter that has
 24 implemented flexible scheduling under IC 4-33-6-21;
 25 shall be paid to the state fair commission, for use in any activity
 26 that the commission is authorized to carry out under IC 15-1.5-3.
 27 (5) Except as provided in subsection (k), ten cents (\$0.10) of the
 28 admissions tax collected by the licensed owner for each person:
 29 (A) embarking on a gambling excursion during the quarter; or
 30 (B) admitted to a riverboat during the quarter that has
 31 implemented flexible scheduling under IC 4-33-6-21;
 32 shall be paid to the division of mental health and addiction. The
 33 division shall allocate at least twenty-five percent (25%) of the
 34 funds derived from the admissions tax to the prevention and
 35 treatment of compulsive gambling.
 36 (6) Except as provided in subsection (k), sixty-five cents (\$0.65)
 37 of the admissions tax collected by the licensed owner for each
 38 person embarking on a gambling excursion during the quarter or
 39 admitted to a riverboat during the quarter that has implemented
 40 flexible scheduling under IC 4-33-6-21 shall be paid to the
 41 Indiana horse racing commission to be distributed as follows, in
 42 amounts determined by the Indiana horse racing commission, for

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the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To ~~a~~ **each** racetrack that was approved by the Indiana horse racing commission under IC 4-31, **in equal amounts**.

The commission may make a grant under this clause only for purses, promotions, and routine operations of ~~the~~ **each** racetrack. No grants shall be made for long term capital investment or construction and no grants shall be made before ~~the~~ **a** racetrack becomes operational and is offering a racing schedule.

(c) With respect to tax revenue collected from a riverboat that operates on Patoka Lake, the treasurer of state shall quarterly pay the following amounts:

(1) The counties described in IC 4-33-1-1(3) shall receive one dollar (\$1) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

This amount shall be divided equally among the counties described in IC 4-33-1-1(3).

(2) The Patoka Lake development account established under IC 4-33-15 shall receive one dollar (\$1) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

(3) The resource conservation and development program that:

(A) is established under 16 U.S.C. 3451 et seq.; and

(B) serves the Patoka Lake area;

shall receive forty cents (\$0.40) of the admissions tax collected for each person embarking on a gambling excursion during the quarter or admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

(4) The state general fund shall receive fifty cents (\$0.50) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

(B) admitted to the riverboat during the quarter (if the riverboat has implemented flexible scheduling).

(5) The division of mental health and addiction shall receive ten cents (\$0.10) of the admissions tax collected for each person:

(A) embarking on a gambling excursion during the quarter; or

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1 (B) admitted to the riverboat during the quarter (if the
2 riverboat has implemented flexible scheduling).

3 The division shall allocate at least twenty-five percent (25%) of
4 the funds derived from the admissions tax to the prevention and
5 treatment of compulsive gambling.

6 (d) With respect to tax revenue collected from a riverboat that
7 operates from a county having a population of more than four hundred
8 thousand (400,000) but less than seven hundred thousand (700,000),
9 the treasurer of state shall quarterly pay the following amounts:

10 (1) Except as provided in subsection (k), one dollar (\$1) of the
11 admissions tax collected by the licensed owner for each person:

12 (A) embarking on a gambling excursion during the quarter; or

13 (B) admitted to a riverboat during the quarter that has
14 implemented flexible scheduling under IC 4-33-6-21;

15 shall be paid to the city in which the riverboat is docked.

16 (2) Except as provided in subsection (k), one dollar (\$1) of the
17 admissions tax collected by the licensed owner for each person:

18 (A) embarking on a gambling excursion during the quarter; or

19 (B) admitted to a riverboat during the quarter that has
20 implemented flexible scheduling under IC 4-33-6-21;

21 shall be paid to the county in which the riverboat is docked.

22 (3) Except as provided in subsection (k), nine cents (\$0.09) of the
23 admissions tax collected by the licensed owner for each person:

24 (A) embarking on a gambling excursion during the quarter; or

25 (B) admitted to a riverboat during the quarter that has
26 implemented flexible scheduling under IC 4-33-6-21;

27 shall be paid to the county convention and visitors bureau or
28 promotion fund for the county in which the riverboat is docked.

29 (4) Except as provided in subsection (k), one cent (\$0.01) of the
30 admissions tax collected by the licensed owner for each person:

31 (A) embarking on a gambling excursion during the quarter; or

32 (B) admitted to a riverboat during the quarter that has
33 implemented flexible scheduling under IC 4-33-6-21;

34 shall be paid to the northwest Indiana law enforcement training
35 center.

36 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of
37 the admissions tax collected by the licensed owner for each
38 person:

39 (A) embarking on a gambling excursion during the quarter; or

40 (B) admitted to a riverboat during a quarter that has
41 implemented flexible scheduling under IC 4-33-6-21;

42 shall be paid to the state fair commission for use in any activity

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that the commission is authorized to carry out under IC 15-1.5-3.

(6) Except as provided in subsection (k), ten cents (\$0.10) of the admissions tax collected by the licensed owner for each person:

(A) embarking on gambling excursion during the quarter; or

(B) admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21;

shall be paid to the division of mental health and addiction. The division shall allocate at least twenty-five percent (25%) of the funds derived from the admissions tax to the prevention and treatment of compulsive gambling.

(7) Except as provided in subsection (k), sixty-five cents (\$0.65) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat during the quarter that has implemented flexible scheduling under IC 4-33-6-21 shall be paid to the Indiana horse racing commission to be distributed as follows, in amounts determined by the Indiana horse racing commission, for the promotion and operation of horse racing in Indiana:

(A) To one (1) or more breed development funds established by the Indiana horse racing commission under IC 4-31-11-10.

(B) To ~~a~~ **each** racetrack that was approved by the Indiana horse racing commission under IC 4-31, **in equal amounts**.

The commission may make a grant under this clause only for purses, promotions, and routine operations of ~~the~~ **each** racetrack. No grants shall be made for long term capital investment or construction and no grants shall be made before ~~the~~ **a** racetrack becomes operational and is offering a racing schedule.

(e) Money paid to a unit of local government under subsection (b)(1) through (b)(2), (c)(1), or (d)(1) through (d)(2):

(1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both;

(2) may not be used to reduce the unit's maximum levy under IC 6-1.1-18.5, but may be used at the discretion of the unit to reduce the property tax levy of the unit for a particular year;

(3) may be used for any legal or corporate purpose of the unit, including the pledge of money to bonds, leases, or other obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:



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(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5), (c)(5), and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths (0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year

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1 revenue determined under this subsection to each entity subject to this
2 subsection.

3 (j) ~~For state fiscal years beginning after June 30, 2002,~~ The total
4 amount of money distributed to an entity under this section during a
5 state fiscal year may not exceed the entity's base year revenue as
6 determined under subsection (h) or (i). If the treasurer of state
7 determines that the total amount of money distributed to an entity under
8 this section during a state fiscal year is less than the entity's base year
9 revenue, the treasurer of state shall make a supplemental distribution
10 to the entity under IC 4-33-13-5(f).

11 (k) For **each** state fiscal year, ~~years beginning after June 30, 2002,~~
12 the treasurer of state shall pay that part of the riverboat admissions
13 taxes that:

- 14 (1) exceed a particular entity's base year revenue; and
15 (2) would otherwise be due to the entity under this section;
16 to the property tax replacement fund instead of to the entity.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 177, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 177 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 11, Nays 3.

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